

MEMORANDUM FOR COMMANDER, DEFENSE CONTRACT MANAGEMENT
COMMAND (DCMC), ATTN: Mr. S. Pope

SUBJECT: DoD Mentor-Protégé Program Performance Reviews for Fiscal Year 1999

DCMC is hereby requested to conduct their annual performance review of the DoD Mentor-Protégé Program for Fiscal Year 1999. Your reviews have provided valuable on-site information about the mentor-protégé relationships, assisted in assessing the success of the program and contributed to adjustments in program management. DCMC is an integral part of the mentor-protégé program and plays a critical role in continuing its success.

It is requested that DCMC review all agreements that were active during any part of FY'99 including all agreements that were completed or terminated during the fiscal year (See Attachment 1). These review requirements include agreements where DCMC does not have administrative cognizance. We will compensate DCMC for doing these reviews. To assist in disseminating the attached listing, which is sorted by state, we have included a diskette formatted in Microsoft Access and Microsoft Word.

The scope of DCMC's performance review is to determine (i) whether all costs reimbursed to the mentor firms under the agreements were reasonably incurred to furnish assistance to the protégé firms in accordance with applicable mentor-protégé guidance and regulations and (ii) whether the mentor firms and protégé firms accurately reported progress made by the protégé firms in employment, revenues, and participation in DoD contracts during the program participation term covered by the mentor-protégé agreement.

We ask that you establish by September 30, 1999, a schedule of when each Mentor-Protégé report will be completed and submitted. We recommend that you consolidate mentor-protégé program reviews with other oversight activities to maximize field resources. When establishing the review schedules, assess the overall 'health' of each agreement utilizing the March 31, 1999 semi-annual report, as well as other relevant data. If it is determined that there are problems, issues, etc. with the relationship, schedule your review of the agreement as early as practicable. During the fiscal year we may also request that certain agreements be added to DCMC's review schedule. To facilitate the review process and avoid any undue delays, it is requested that the DCMC Contract Administration Offices (CAOs) contact the mentors' Points of Contact (POCs) and advise them of the tentative review schedules for both the mentors and the proteges. At this time, DCMC should also request copies of the executed mentor-protégé agreements including the mentors' developmental assistance plan (if one has not previously been provided) to assist in the review process.

A recent assessment revealed that the financial review process needed strengthening. We consider this area to be a critical aspect of the review process. Therefore, it is requested that DCMC utilize the Defense Contract Audit Agency (DCAA), as necessary, to verify the amounts reported by the mentor on the semi-annual reports for expenditure data ['Fiscal Year to Date' and 'Cumulative from Start of Agreement', Part I. B. Financial Status (Reimbursable Agreements only)] to the mentors' public vouchers or other supporting cost records. The DCAA assist audit reports should be included in the package submitted to this office. In addition,

DCAA should be requested to identify any other financial/accounting issues affecting the mentor-protégé program.

Verification of mentor-protégé program costs is dependent on their visibility on the public vouchers and/or in the mentor's cost accounting records. DFARS 219.71 strongly encourages either an advance agreement or written identification by the mentor firms of the accounting treatment of such costs prior to incurring any costs. This office plans to take steps to increase compliance with the above requirements as part of the approval process of future agreements. DCMC is requested, in cooperation with DCAA, to pursue advance agreements with mentor firms for future agreements, as necessary where DCMC has been delegated administrative cognizance. It is also requested that where DCMC does not have administrative cognizance, a recommendation be made to the cognizant Contracting Officer to establish an advance agreement with the mentor firm. At the very least a written statement on the accounting treatment of such costs for all active agreements should be requested from the mentor firms. Your cooperation in this area will be greatly appreciated.

We request that CAOs conduct 'exit conferences' at the conclusion of their reviews to discuss the factual aspects of the reviews, as well as solicit feedback from the mentor's and protégé's POCs. This process should facilitate the resolution of all open issues prior to completion of the final reports. The exit conference with the mentor's POC should be scheduled after receipt of the portion of the review performed by the protégé's CAO. The details of the exit conferences should be included in the final DCMC reports. We further request that all DCMC review packages adhere to the format and content outlined in Attachment 2, Defense Contract Management Command Performance Review, Format and Content of Review Packages.

Finally, it is requested that all reviews be completed by June 30, 2000. The DCMC CAOs cognizant of the mentors are requested to forward each review package as soon as it is completed in accordance with Paragraph 4 of Attachment 2.

The DCMC performance reviews continue to be an integral part of our overall assessment of the DOD Mentor-Protégé Program and crucial to our analysis of the success of each agreement. Thank you for your organization's continuing support of this important program. Ms. Janet K. Koch is the DOD Mentor-Protégé Program Manager. Mr. Richard K. Mott is the point of contact for DCMC reviews and semi-annual reports and may be reached at (703) 588-8634 or mottrk@acq.osd.mil.

/s/

ROBERT L. NEAL
Director, Office of Small and
Disadvantaged Business Utilization

Attachments

cc: Service/Defense Agency SADBUs Directors